A4740-24 1/90

The EMA Report

of

National Cost Per Hire Data

for

1988

© 1989 The Employment Management Association

The Employment Management Association Report
National Cost Per Hire Data 1988

Table of Contents

Summary of Findings 2
Respondent Information 3-4
Computing Your Cost Per Hire 5-7
Average Employer Expense by Line Item 8
Supplemental Data Comparisons 9
Organizational Analysis 9
Analysis by Employer Population 9
Source Utilization 10
Direct Fees — Trends 10
Regional Analysis 11
State Averages 11
Source Utilization by Region 11
Trend Analyses 12
Industry Analysis 13
- Source Utilization 14
- Relocation 14
- Direct Fee Comparisons 14

Applications 15

The Employment Management Association Report
National Cost Per Hire Data 1988

This is the sixth, annual EMA National Cost Per Hire Survey. Reflected within this survey report are the1988 calendar year experiences of 105 different employers from throughout the United States.

As a service to all employment managers and professionals, the Employment Management Association offers this survey report as a benchmark for planning their sourcing, staffing and budget management.

Summary of Findings

Average Cost Per Hire	$6076	Up 3.8% from 1987
Average Hires Per Employer	170	Down 5.1% from 1987
% of Hires Relocated	27.5%	Up from 21% in 1987
Average Cost Per Relocated Hire	$7198	Down from $8163 in 1987
Average Hourly Employee CPH	$887	Up from $333 in 1987
Average Non-Exempt Employee CPH	$1668	Up from $961 in 1987

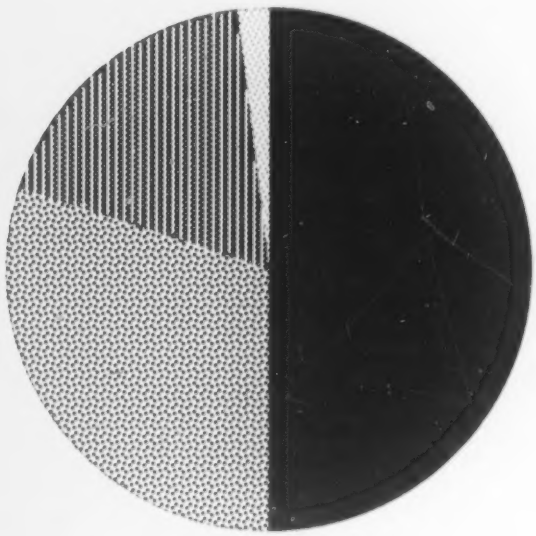
- Interview workday expenses (Management Time) increased 10% to $294 per hire.
- Direct Fees continued to show a diminishing trend with employers spending fewer dollars for Advertising, Agencies, Executive Search, and Employee Referrals.
- Job Fairs were added under the Direct Fees category as a separate line item this year. Sixty (60) employers reported hiring an average of seven hires each at $2052 per hire via this sourcing method.

Report of Survey Data

The Employment Management Association in no way claims the statistical validity of the data contained in this report. The information presented herein represents both actual and estimated costs as reported by the 105 survey respondents. The information should be used with appropriate discretion, recognizing the limitations inherent to this statistical sampling.

Respondent Information

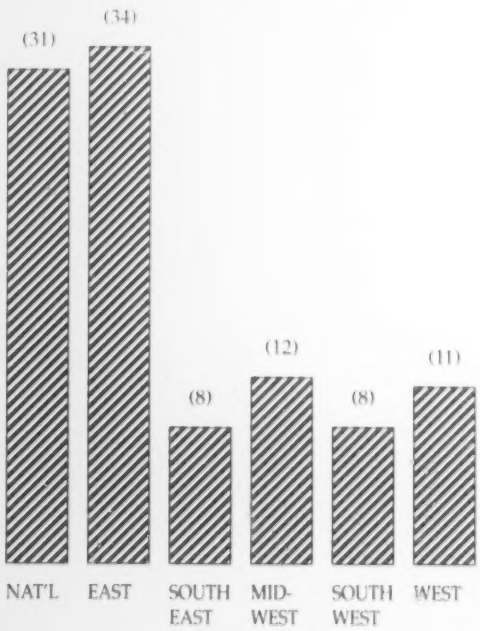
The 105 respondents to this year's survey were represented as follows:



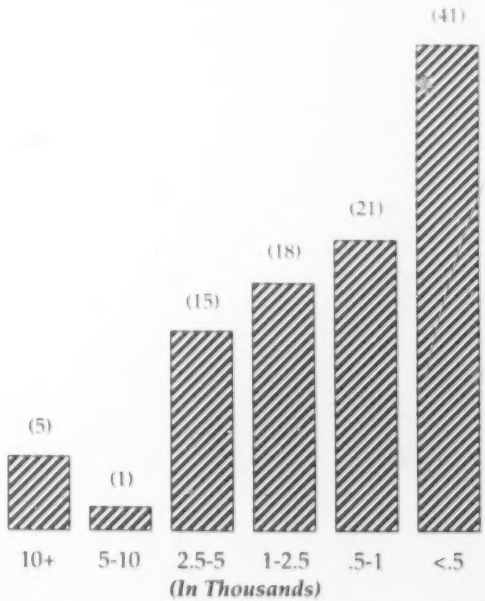
Organizational Representation

- 50% Corporations
- 30% Divisions
- 18% Unit/Individual Location
- 2% Unknown

Principal Recruiting Areas



Exempt Population Size



Nature of Business

Business & Services

Public Accounting	0
Advertising	1
Banking	14
Computer & Data Processing	5
Consulting Services	5
Finance	1
Hospitality (Motel/Hotel)	0
Insurance	7
Merchandising	2
Publishing	1
Research & Development	7
Restaurants	0
Transportation Services	0
Utilities	5
Other Business Services	8

Manufacturing & Industrial

Aerospace	11
Agriculture/Forestry/Fish	1
Automotive/Mechanical Equipment	1
Building Materials Manufacturing & Construction	3
Chemical, Drugs, Allied Products	1
Computers & Business Machines	6
Electric Machinery & Equipment	8
Food & Beverage Processing	1
Glass, Paper & Packaging	1
Metals & Metal Products	0
Petroleum & Allied Products	2
Scientific Instruments	1
Textiles	1
Tire & Rubber Products	0

Government/Non-Profit

Education	3
Health Services	5
Non-Profit Organizations	3
Federal Government	1
Local/State Government	0

Computing Your Cost Per Hire

Section A - Employment/Recruiting Office Expenses

Line 1 *Salaries and benefits of Employment/Recruiting office staff.*
Estimate the % of time spent annually in recruiting activities by each member of your Employment/Recruitment office staff. Compute the actual salary for each staff member, multiply by the percentage that applies to each, then total. Multiply total salaries by your company's Benefit Multiplier. If unknown, multiply salary total by 1.30 and enter on Line 1.

Line 2 *Travel, lodging, entertainment expenses of recruiting staff.*
Compute the total T/L/E expenses of the Employment/Recruiting office staff. Include: all recruiting-related trips and entertainment; T/L/E expenses for professional development seminars, workshops and conferences, college relations and source development visits, etc. **Exclude** meetings and training programs that do not utilize or enhance the employment skills of your recruiting staff. Enter total on Line 2.

Line 3 *Administrative expenses.*
Compute or estimate all recruiting-related overhead expenses, including but not limited to: telephone, office space, postage, PR literature, resume books, give-aways, general/image-building advertising, training program and conference attendance fees, employee referral gift awards; computer access charges. **Exclude** tax deductible contributions to colleges and universities. Enter total on Line 3.

Line 4 *Sub-Total A*
Total Lines 1, 2, and 3, and enter on Line 4.
(Note: If sufficient detail is not available to determine items 1 through 3 above, estimate this sub-total and enter on Line 4.)

Section B - Other Recruiters' Expenses

Line 5 *Travel, lodging, entertainment expenses for other recruiters*
If other company employees (technical managers, operating staff, etc.) and/or contract recruiters were utilized, compute or estimate their T/L/E expenses and enter on Line 5. (A representative sample of expense reports may be gathered to compute an average which can be multiplied by the number of trips/events to obtain the total for this line item.) **Exclude** recruiters counted in Line 1. Enter total on Line 5.

Line 6 *Salaries of other recruiters*
Compute or estimate the average day's salary of those other employees utilized as parttime recruiters. Multiply this average by the number of days they were involved in recruiting, including business-hours travel time. **Exclude** full-time recruiters counted in Line 1. Enter total on Line 6.

Line 7 *Sub-Total B*
Total lines 5 and 6 and enter on Line 7. If sufficient information is not available to compute Lines 5 and 6, estimate this sub-total based upon usage of other recruiters (managers, contract recruiters,etc.).

Never use - Enter - 0 on Line 7.
Seldom use - Multiply Line 4 by 10% and enter on Line 7.
Occasionally use - Multiply Line 4 by 25% and enter on Line 7.
Frequently use - Multiply Line 4 by 50% and enter on Line 7.

Section C - Company Visit Expenses

Line 8 Candidate travel, lodging, meal expenses.
Compute or estimate the average expenses of **each applicant** who visits your company for employment consideration. (A representative sample of expense reports may be used to compute this average.) Multiply this average by the **total** number of applicant visits, not **just for those hired**. Enter total on Line 8. EXAMPLE: Your screening ratio shows that 1 out of 4 applicants visiting your company is hired. Your cost of this line item is 4 x Total Hires x Avg. Applicant's T/L/E.

Line 9 *Secondary interview workday expenses.*
Estimate the average hourly equivalent salary of the company personnel involved in your interview process (e.g. $43,000/yr. = @ $20.83/hr.) Estimate the average length of a typical applicant's visit (number of hours). Determine the average number of applicants interviewed to fill each position (see screening ratio example on Line 8.) Multiply salary by hours by applicants by total hires (Line 21), enter total on Line 9. EXAMPLE: $20.83/hr. x 4 hrs. x 4 applicants x 50 hires = $16,664.

NOTE: If the necessary information for the above computation is unavailable to you, multiply $250 by your total hires (Line 21) and enter total on Line 9.

Line 10 *Other expenses.*
Estimate the costs (annualized or average per applicant) of other related expenses including, but not limited to, testing, pre-employment **drug screening,** credential verification, relocation packets, etc. Enter the appropriate annual expense **total** on Line 10.

Line 11 *Sub-Total C.*
Total Lines 8, 9, and 10 and enter on Line 11.

Section D - Direct Fees.

Line 12 *Advertising fees.*
Under the heading "# Hires," enter the number of exempt hires derived directly as a result of Employment Advertising. Compute or estimate total annual job-specific employment advertising fees. **Exclude** general advertising charges included in Line 3. Enter total on Line 12.

Line 13 *Job fairs.*
Under the heading "# Hires," enter the number of hires derived directly as a result of participation in Job Fairs. Compute or estimate total annual job fair participation fees. Exclude recruiters' costs, travel, materials, etc., included in Section A or B. Enter total on Line 13.

Line 14 *Agency fees.*
Under the heading "# Hires," enter the number of hires derived through contingency personnel agencies. Compute or estimate total annual fees. Enter total on Line 14.

Line 15 *Executive search fees.*
Under the heading "# Hires," enter the number of hires derived through executive search (retainer/contract search). Compute or estimate total annual search and search research fees paid. Enter total on Line 15.

Line 16 *Employee referral cash awards.*
Under the heading "# Hires," enter the number of Employee Referrals hired. Compute the total annual cash payments made to employees for referrals who were hired. **Exclude** program administration fees and gifts-in-kind included in Line 3. Enter total on Line 16.

Line 17 *College recruiting*
Under the heading "# Hires," enter the number of direct recruits from your college recruiting program. **No direct fees should be reported for college hires.** Recruiters T/L/E should be reported on Line 2 or Line 5; literature, resume books and transcripts on Line 3.

Line 18 *Sub-Total D*
Total Lines 12, 13, 14, 15, 16, 17 and enter on Line 18.

Line 19 *Total recruitment costs.*
Total Lines 4, 7, 11, 18 and enter on Line 19.

Line 20 *Relocation expenses.*
Under the heading "# Hires Relocated," enter the actual number of new hires who received relocation expense assistance to accept employment. Enter the actual or estimated total expense incurred by your company to provide this assistance on Line 20.

Line 21 *Total costs.*
Total Lines 19 and 20 and enter on Line 21.

Line 22 *Total exempt hires.*
Enter total number of exempt hires for calender year on Line 22.

Line 23 *Cost per hire.*
Divide Line 21 by Line 22. Enter result on Line 23 (rounded to nearest whole dollar.)

Supplemental Survey Data (complete if data is available)

Line 24 *Inexperienced exempt hires with salaries under $30,000/yr.*
Enter the number of individuals hired **without** experience (new college graduate and/or less than 2 years of prior experience in a related career field). **Estimate** the average cost per hire for this group. Enter on Line 24 under respective headings.

Line 25 *Experienced exempt hired with salaries under $30,000/yr.*
Enter the number of individuals hired with at least 2 years of related experience. **Estimate** the average cost per hire for this group. Enter on Line 25 under respective headings.

Line 26 *Exempt hires with salaries between $30,000 and $40,000/yr.*
Enter number and **estimated** CPH under respective headings on Line 26.

Line 27 *Exempt hires with salaries between $40,000 and $60,000/yr.*
Enter number and **estimated** CPH under respective headings on Line 27.

Line 28 *Exempt hires with salaries between $60,000 and $100,000/yr.*
Enter number and **estimated** CPH under respective headings on Line 28.

Line 29 *Exempt hires with salaries over $100,000/yr.*
Enter number and **estimated** CPH under respective headings on Line 29.

Line 30 *Hourly/Production Workers hired and estimated cost per hire.*
Utilizing the same thought process used to derive your exempt cost per hire, estimate your hourly cost per hire. Be sure to include drug-testing costs, if applicable. Enter the number of hourly workers hired and the **estimated** CPH on Line 30.

Line 31 *Non-Exempt/Office and Clerical workers hired and estimated cost per hire.*
Enter the number of **NON-EXEMPT** workers hired and your **estimated** CPH under the appropriate headings on Line 31.

Submit to: EMA: 5 W. Hargett St., Suite 1100, Raleigh, NC 27601.

Average Employer Expense By Line Item

The following Line Item Averages were computed by summing the input from all respondents and dividing that total by the number of respondents (count) for that line item. Since not all respondents reported expenses for each line item, averages cannot be summed to equate to the total reported on Line 21.

Section / Line / Expense		Total	Count	Average
A. Employment/Recruiting Office Expenses				
1 • Salaries and benefits of staff		$17,047,954	105	$162,361
2 • T/L/E of recruiting staff		1,865,749	81	23,034
3 • Administrative Expenses		5,345,114	92	58,099
4 • Sub-Total [A]		24,254,816	105	230,998
B. Recruiting Expenses				
5 • T/L/E other recruiters		2,487,230	39	63,775
6 • Salaries of other recruiters		2,183,315	39	55,982
7 • Sub-Total [B]		4,927,362	49	100,558
C. Company Visit Expenses				
8 • Candidate T/L/E		7,130,054	85	83,883
9 • Interview workdays		5,242,795	105	49,931
10 • Other expenses (drug-testing, etc.)		1,239,910	68	18,234
11 • Sub-Total [C]		$13,588,888	105	$129,418
D. Direct Fees				
12 • Advertising	# Hires	3865	92	42
	# Spent	$11,036,278	103	$107,148
13 • Job Fairs	# Hires	419	60	7
	# Spent	$859,785	62	$13,868
14 • Agencies	# Hires	1418	73	19
	# Spent	$12,060,435	79	$152,664
15 • Search	# Hires	121	43	3
	# Spent	$2,678,922	44	$60,885
16 Emp. Referral	# Hires	1392	52	27
	# Spent	$930,250	49	$18,985
17 • College Recruits	# Hires	1746	64	27
18 • Sub-Total [D]		$28,288,009	79	$269,410
19 TOTAL RECRUITMENT COSTS		$71,059,075	105	$676,753
E. Relocation	# Hires Relocated	4913	94	52
20 • Relocation assistance paid		$37,430,283	100	$374,303
F. TOTALS				
21 • Total costs of employment		$108,474,827	105	$1,033,094
22 • Total Exempt Hires		17,852	105	170
23 • Average Cost Per Hire				$6,076

Supplemental Data Comparisons

Starting Salary Range:	1988 Hires/CPH	1987 Hires/CPH	1986 Hires/CPH
—Under $30,000/yr-Inexperienced	30/$2,496	40/$3,057	44/$2,543
—Under $30,000/yr-Experienced	40/$3,261	55/$2,496	32/$3,965
—$30,000-$40,000/yr	34/$5,469	32/$5,727	42/$7,450
—$40,000-$60,000/yr	27/$7,438	21/$10,390	35/$10,483
—$60,000-$100,000/yr	10/$16,221	7/$17,038	7/$18,433
—Over $100,000/yr	2/$15,020	3/$27,986	2/$44,750
—Hourly/Production Workers	170/$887	213/$333	196/$655
—Non-Exempt/Office & Clerical	126/$1,668	96/$961	293/$676

% of Hires by Salary Level

Salary Level	1988	1987	1986
Less than $30,000	49%	60%	47%
$30,000-$40,000/yr	24%	20%	26%
$40,000-$60,000/yr	19%	13%	22%
$60,000-$100,000/yr	7%	4%	4%
Over $100,000/yr	1%	2%	1%

Organizational Analysis

Average hiring activity and CPH based upon type of organization of respondents.

Type of Organization	1988 Hires/CPH	1987 Hires/CPH	1986 Hires/CPH
Corporation	132/$4,607	159/$6,287	165/$5,856
Division	274/$6,645	199/$6,460	244/$7,364
Unit/Individual Location	120/$8,120	204/$4,700	298/$4,327

Analysis by Employer Population (Exempt)

Employer Population	1988 Hires/CPH	1987 Hires/CPH
Under 500	37/$6,363	60/$6,351
500-1,000	180/$8,116	96/$6,174
1,000-2,500	210/$4,054	186/$5,672
2,500-5,000	256/$6,486	244/$6,627
5,000-10,000	421/$6,389	587/$3,644
Over 10,000	890/$5,584	1,081/$6,717

Source Utilization

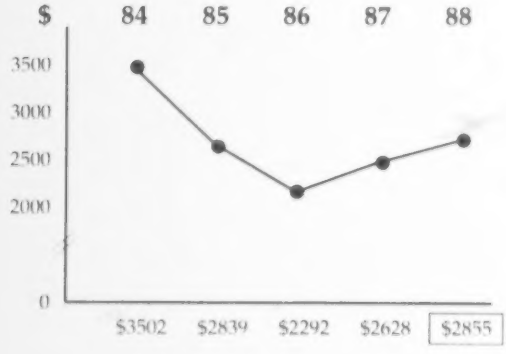
Reflected below are the percentage utilization rates for recruitment sources by year. Other sources include write-ins, government employment services, as well as all unknowns.

	YEAR				
Source	**1988**	**1987**	**1986**	**1985**	**1984**
Advertising	22%	22%	33%	29%	21%
Job Fairs	2%	-	-	-	-
Agencies	8%	9%	14%	13%	13%
Executive Search	1%	<1%	3%	<1%	5%
Employee Referral	8%	8%	19%	14%	15%
College Recruiting	10%	10%	22%	14%	-
Other Sources	49%	50%	9%	29%	46%

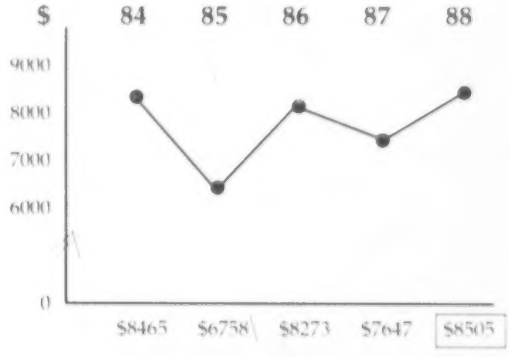
Direct Fees—Trends

The following charts show the average cost per hire by source plotted over a five year period.

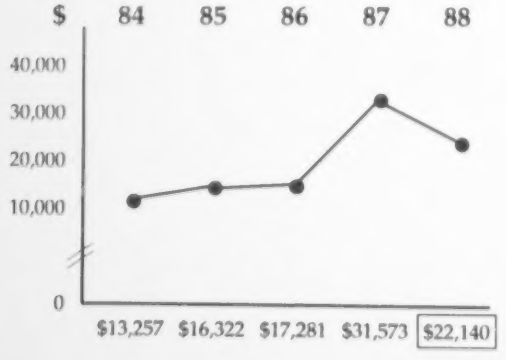
ADVERTISING FEES



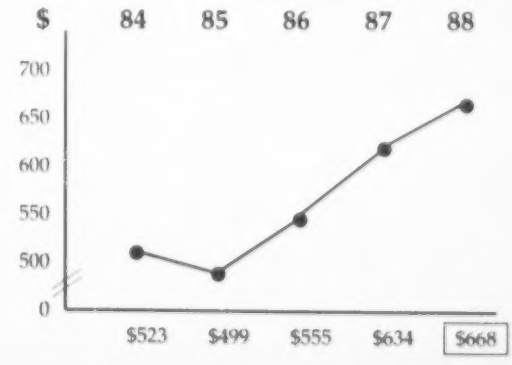
AGENCY FEES



EXECUTIVE SEARCH FEES

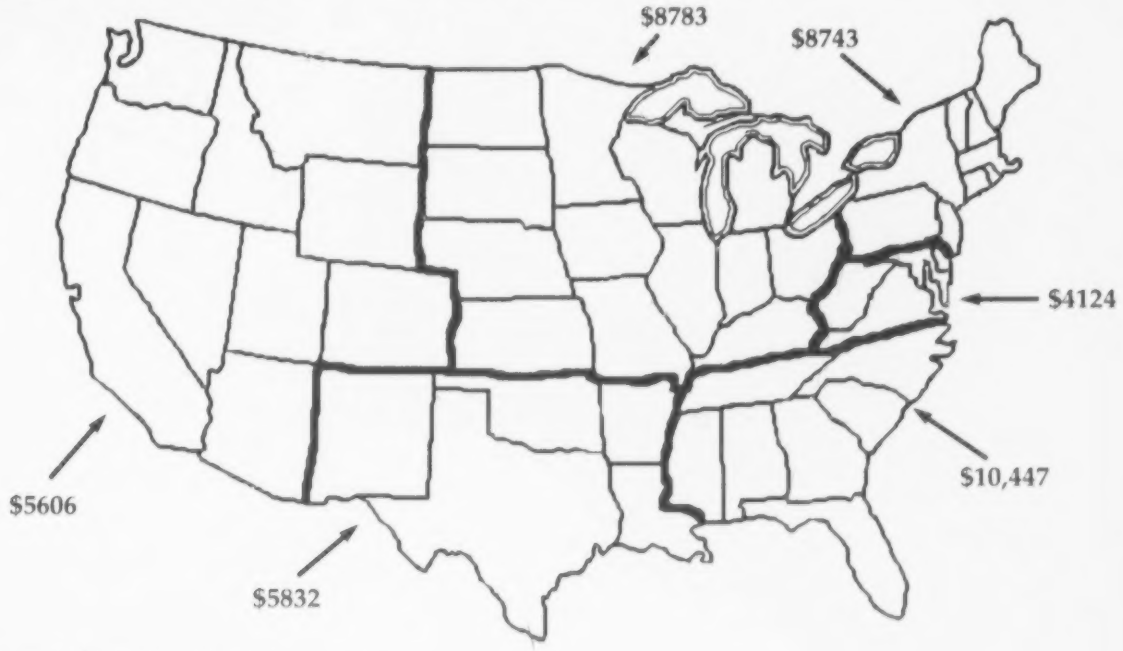


EMPLOYEE REFERRAL CASH AWARDS



Regional Analysis

Average cost per hire based upon geographic location of respondents



State Averages

State	#	*Hires*	*CPH*	*State*	#	*Hires*	*CPH*
Alabama	1	14	$14,171	North Carolina	4	145	$14,802
Arizona	1	78	$11,386	New Jersey	6	314	$10,855
California	17	188	$5,613	New York	3	58	$6,757
Connecticut	2	65	$7,829	Ohio	4	455	$3,128
District of Columbia	2	35	$8,372	Oregon	1	88	$730
Florida	3	124	$7,283	Pennsylvania	8	123	$4,984
Georgia	1	19	$5,263	Rhode Island	1	147	$6,303
Indiana	1	44	$4,701	South Carolina	1	62	$1,580
Illinois	5	171	$5,328	Tennessee	1	58	$3,466
Massachusetts	4	51	$11,358	Texas	7	418	$5,832
Maryland	9	109	$4,821	Virginia	8	198	$3,507
Michigan	2	120	$8,328	Wisconsin	2	75	$8,881
Missouri	2	78	$4,459	Unknown	15		

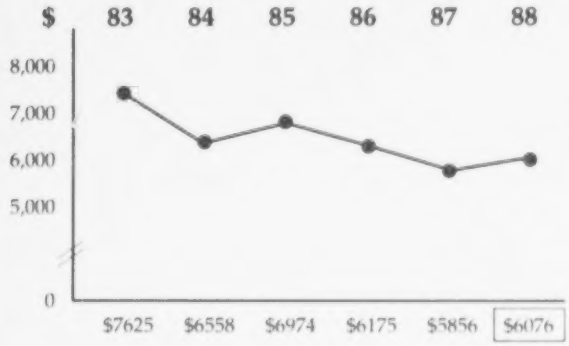
Source Utilization By Region

Computed by dividing average hires by source by average total hires.

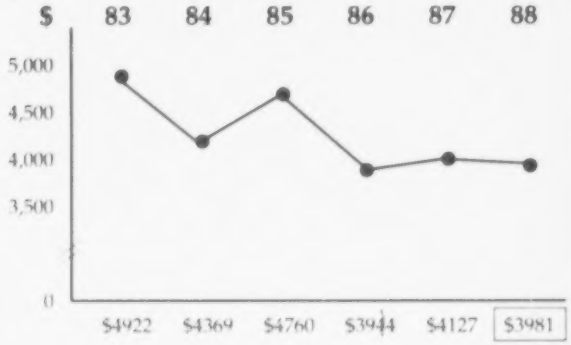
	Northeast	Mid-Atlantic	Southeast	Midwest	Southwest	West	National
Advertising	45%	31%	26%	28%	53%	18%	25%
Job Fairs	2%	6%	2%	2%	1%	5%	4%
Agency	25%	9%	4%	13%	9%	8%	11%
Executive Search	<1%	<.5%	1%	2%	<1%	<1%	<1%
Employee Referral	10%	19%	0%	8%	6%	18%	16%
College Recruiting	4%	4%	26%	14%	12%	9%	16%
Other	13%	30%	41%	33%	18%	41%	27%
Total Average Hires	**147**	**139**	**93**	**103**	**418**	**177**	**170**

Trend Analyses

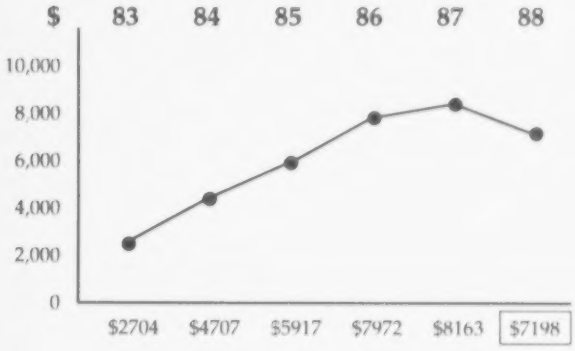
AVERAGE COST PER HIRE



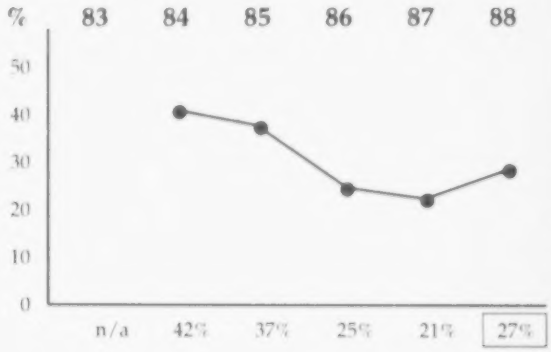
CPH WITHOUT RELOCATION $



AVERAGE RELOCATION COSTS



% OF NEW HIRES RELOCATED



Company Visit Expenses

Per hire average costs include expenses incurred by unsuccessful applicants.

	1988	1987	1986
• Applicant Travel	$456	$340	$395
• Management Interview Workdays	$334	$268	$218
• Other (Drug Testing, Credential Verification)	$117	$108	$112

Industry Analysis

	Banking (14)	*Computer & Data Processing (5)*	*Consulting Services (5)*	*Finance (5)*
Average Hires	152	380	225	208
Average CPH	$7,541	$3,136	$2,489	$5,765
% Employment Office	14.5%	26.7%	51.7%	14.5%
% Other Recruiters	3.4%	.7%	2.5%	.2%
% Company Visits	6.0%	20.4%	5.7%	5.2%
% Direct Fees	25.2%	30.4%	33.4%	53.9%
% Relocation	56.7%	21.9%	7.2%	30.7%

	Merchandising (2)	*Research & Development (7)*	*Utilities (5)*	*Other Business Services (8)*
Average Hires	125	252	122	126
Average CPH	$3,982	$11,251	$7,077	$7,020
% Employment Office	22.1%	21.0%	31.6%	42.3%
% Other Recruiters	0%	21.9%	1.7%	3.6%
% Company Visits	9.9%	16.4%	17.7%	6.8%
% Direct Fees	36.0%	4.6%	21.9%	22.4%
% Relocation	32.1%	39.2%	35.2%	27.6%

	Aerospace (11)	*Building Materials & Construction (3)*	*Computers & Business Machines (6)*	*Electrical Machinery & Equipment (8)*
Average Hires	362	255	125	80
Average CPH	$5,638	$5,947	$5,503	$6,996
% Employment Office	20.7%	27.6%	10.0%	16.9%
% Other Recruiters	1.0%	5.1%	7.5%	4.5%
% Company Visits	17.2%	12.3%	5.7%	9.2%
% Direct Fees	18.4%	36.7%	59.5%	45.7%
% Relocation	43.5%	20.0%	20.4%	26.0%

	Petroleum & Allied Prod. (2)	*Education (3)*	*Health Services (5)*	*Non-Profit Organizations (3)*
Average Hires	57	129	603	28
Average CPH	$7,173	$2,286	$3,074	$6,740
% Employment Office	26.1%	36.2%	26.2%	52.0%
% Other Recruiters	14.3%	26.5%	.7%	.3%
% Company Visits	5.2%	18.8%	16.2%	10.2%
% Direct Fees	57.7%	13.2%	52.7%	24.8%
% Relocation	3.8%	5.6%	0%	12.9%

Industry Analysis—*Continued*

• Source Utilization — highest percentage utilization of sources by industry type.

Advertising

Non-Profit Organizations	87%
Health Services	76%
Computers & Business Machines	46%
Electrical Machinery & Equipment	45%
Education	40%

Job Fairs

Merchandising	14%
Consulting Services	8%
Petroleum & Allied Products	8%
Electrical Machinery & Equipment	7%

Agencies

Petroleum & Allied Products	64%
Insurance	29%
Computers & Business Machines	24%
Electrical Machinery & Equipment	21%
Health Services	14%

Executive Search

Banking	3%
Transportation Services	3%
Electrical Machinery & Equipment	3%
Non-Profit Organizations	3%

Employee Referral

Consulting Services	32%
Other Business Services	25%
Computers & Business Machines	22%
Insurance	18%
Aerospace	16%

College Recruiting

Education	45%
Aerospace	33%
Utilities	24%
Other Business Services	22%
Building Materials Manufacturing & Construction	18%

• Relocation — largest percentage of new hires relocated.

Research & Development	80%
Utilities	59%
Aerospace	48%
Banking	27%
Building Materials Manufacturing & Construction	26%

• Direct Fee Comparisons — average fees paid per hire by source.

INDUSTRY	*Advertising*	*Job Fairs*	*Agencies*	*Search*
Banking	$ 986	$ 437	$ 7,650	$ 22,067
Computers & Data Processing	2,037	1,456	6,928	8,221
Consulting Services	2,431	1,710	7,805	0
Insurance	2,435	1,697	8,740	15,930
Merchandising	2,908	852	4,552	0
Research & Development	4,036	7,948	17,416	15,000
Utilities	3,534	737	7,279	3,297
Other Business Services	3,405	2,401	8,889	11,111
Aerospace	8,531	2,913	7,770	19,662
Building Materials Manufacturing & Construction	3,956	0	9,526	25,000
Computers & Business Machines	1,261	1,112	9,803	13,862
Electrical Machinery & Equipment	1,586	1,862	7,096	31,000
Petroleum & Allied Products	2,337	236	6,337	0
Education	763	0	0	0
Health Services	811	2,260	3,015	25,482
Non-Profit Organizations	961	338	0	35,000

APPLICATIONS

Employment managers may find the preceding analyses useful in developing budgets, evaluating in-house recruiting services vs. outside services, and determining the cost benefits of minimizing the relocation of new hires.

Third party employment services may also find these analyses helpful in identifying trends and probable client industries.

FURTHER INFORMATION

The EMA will continue to provide professional development workshops and information on this and other surveys. Special workshops will be offered at most semi-annual conferences. Specific inquiries regarding this survey should be directed to:

Employment Management Association
1100 Raleigh Building
5 W. Hargett Street
Raleigh, NC 27601
Telephone 919-828-6614
FAX 919-839-0633

ACKNOWLEDGEMENTS

The EMA extends a special thanks to member Gary A. Cluff for the compilation and analysis of survey data and the creation of this report.

FOR ADDITIONAL COPIES OF THIS REPORT, fill out and return this form with payment to EMA.

		Amount due
# of copies at $25 each (member)	=	$
# of copies at $45 each (non-member)	=	$

Name _____
Title _____
Company _____
Address _____
City _____ State _____ Zip _____
Business Phone _____

_____ Check is enclosed
_____ Charge it to my: ❑ MasterCard ❑ Visa ❑ American Express
Card Number _____
Exp. Date _____
Signature _____

❑ **Check here if you wish to receive information on joining EMA.**

LIST OF EMA SURVEYS

Results of surveys are free to members and to non-member survey participants. Reprints of the following EMA surveys are available to non-members (prepayment required):

SURVEY TITLE	PUBLICATION DATE	COST/ COPY	#COPIES	TOTAL
Separation Pay and Separation Benefits	July 1987	$25	_____	_____
Drug Testing in Industry	Feb. 1987	$25	_____	_____
Managing AIDS in the Workplace	Nov. 1987	$15	_____	_____
AIDS Policies	Nov. 1987	$15	_____	_____
Drug Testing Update	Dec. 1987	$15	_____	_____
Selection Tools	Feb. 1988	$15	_____	_____
Cost Per Hire (Indicate Year)	1986, 1987, 1988	$35	_____	_____
Compensation for the Employment Executive	June 1986	$95	_____	_____
MEMBER PULSE SURVEYS				
Dependent Care Programs	March 1988	$10	_____	_____
Recruiting Trends for 1988 and beyond	May 1988	$10	_____	_____
Immigration Reform and Control Act (IRCA)	June 1988	$10	_____	_____
Reference Checking	August 1988	$10	_____	_____
Employee Referral Programs	Jan./Feb. 1988	$10	_____	_____
Recruitment Practices	May/June 1989	$25	_____	_____
			_____	_____
PUBLICATIONS			_____	_____
EMA "Reporter"	10 issues per year	$20	_____	_____
EMA Advertising Excellence Awards		$5	_____	_____
EMA Journal	2 issues per year	Varies by Content	_____	_____
"Decruitment and Outplacement" by Donald H. Sweet		$10	_____	_____
EMA Membership Directory		$150	_____	_____

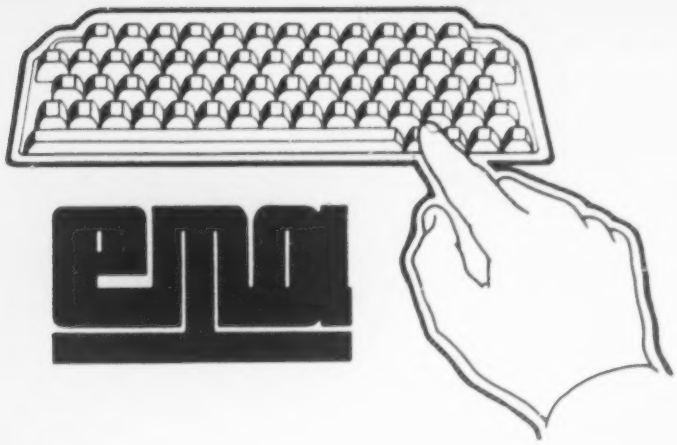
PLEASE MAKE CHECK PAYABLE TO EMA OR CHARGE TO:

❑ VISA ❑ MASTERCARD ❑ AMERICAN EXPRESS

CARD # _____ EXPIRATION DATE _____

SIGNATURE _____ COMPANY NAME _____

ADDRESS _____



EMAnet - A Library

EMAnet allows users to retrieve timely information quickly and easily. This library of information includes:

EMA Surveys
Compensation
Cost-Per-Hire
Dependent Care as an Employee Benefit
Drug Testing
Selection Tools
Recruitment Practices

EMA Articles
How Unions are Changing
Negligent Hiring
Employment Security and Employment Reduction: Contending Goals
A Knowledge-Based Approach to Recruitment Advertising

EMAnet - A Communication System

The Job Placement Service Bulletin Board permits users to post human resources job opportunities wanted and available. Replies to these opportunities can be made immediately on-line.

While on-line, you can order an EMA publication or mailing labels, register for an EMA conference, and place a nomination for an EMA award.

EMAnet is an online information service available exclusively to EMA members. The Employment Management Association (EMA) is a national professional society which provides a forum for the better understanding of employment and related human resource issues facing American industry, education, business, and government. EMA directs its resources toward enhancing the exchange of ideas and information and the professional development of its members. For more information on membership in EMA and/or a subscription to EMAnet, please contact Diane Hamrick at 919/828-6614.

"It takes a smart person to know who gives you ads that work."

At each of the Nationwide Advertising Service (NAS) Creative Centers throughout the country, there's a staff of specialists in recruitment advertising. These experts know how to create effective ads. . . and how a distinctive border not only attracts applicants' attention but reflects the right image for your company. Fact is, they're part of the reason advertising is an employer's best investment of recruitment dollars. You might find it interesting to check the average cost-per-hire figures for advertising vs. other related direct fees. And then tally your company's internal costs for covering the myriad details of recruitment—details you could delegate to NAS, the specialists in recruitment advertising for over 40 years. You'll be smart to keep this phone number on hand: 1-800-877-4574. For when you want to get in touch with your nearest NAS office.

A real fictional character.

A real NAS Creative Director, Bob Allen.

NAS NATIONWIDE ADVERTISING SERVICE, INC.

A Smart Idea.

J.B. GILBERT ASSOCIATES, INC.

EXECUTIVE SEARCH SPECIALISTS WITH OVER 30 YEARS OF UNIQUE INTERNATIONAL AND DOMESTIC RECRUITING EXPERIENCE IN A WIDE SPECTRUM OF INDUSTRIES AND EXECUTIVE FUNCTIONS, INCLUDING COMPUTER AND HI-TECH SECTORS.
RETAINER ONLY - SALARY MINIMUM $100,000 RANGE.

*Recruiting engagements conducted worldwide with emphasis in Europe (EC and neutral countries), Australia, Far East, Middle East, South and Central America, Canada and the United States.

*All International assignments personally handled by New York based partner and support team. In country meetings arranged to protect the confidentiality and efficiency of sensitive missions, and the climination of long distance relationships for USA based clients.

*Comprehensive research, well established International networks and a select client base by industry and geography guarantees our clients access to more potential candidates.

*Long term client relationships, professional versatility and repetitive business, including numerous organization building project assignments, have been the key to our many years of successful experience.

*Additional consulting services are available to our clients including the evaluation of management resources and organizations in situations relating to mergers, acquisitions, restructurings, relocations and turn arounds. Psychological Assessments and Outplacement services arranged.

* Recognized for our long standing commitment to the recruitment and placement of minority and female executives.

*Professional Affiliations: National Association of Corporate and Professional Recruiters; Human Resource Planning Society (International); Employment Management Association; American Society of Training and Development; New York Personnel Management Association; American Management Association; Who's Who in the Computer Industry.

*Business Reference: Dun & Bradstreet

New York City Headquarters, 420 Lexington Ave., 10170 • 212-661-2122

Principal Contacts:
Stephen B. Van Campen
Jerry Gilbert
Daniel N. Pitchon

Fax Numbers:
212-599-0839 (NY)
201-475-2241 (NJ)

Subsidiary of
GILBERT AND VAN CAMPEN INTERNATIONAL

YOUR BOTTOM LINE

WE TAKE IT AS SERIOUSLY AS YOUR HEADLINE.

At Bernard Hodes Advertising, we know that no creative flights of fancy in your recruitment advertising will compensate you for an unacceptable cost per hire. So we treat your recruitment advertising budget with respect. And with 20 years' experience in all areas of recruitment advertising and employee communications, we know what works.

So here's how we work: First, we help you define your hiring goals. Then we design a budget-conscious program to meet them — an employee referral program, a single ad or campaign, an open house with newspaper and radio advertising support, or a more comprehensive approach in various media. And the result for you? Recruitment advertising that's both on-target and cost-efficient.

As our client, your needs are unique and specific. As your agency, Bernard Hodes Advertising makes sure you're satisfied with the work you get — and with the results it gets for you. Because your satisfaction is our bottom line. To see some examples of our low cost per hire, high-impact success stories, call Mary Geuras at 1-800-624-7744 for the branch office nearest you.

BERNARD HODES ADVERTISING

New York • Atlanta • Boston • Chicago • Dallas • Denver
Houston • Irvine • Los Angeles • Miami • Palo Alto
Philadelphia • Phoenix • San Francisco • Washington, DC
Toronto • Montreal • London

WE SEE EYE TO EYE WITH THE BEST IN YOUR INDUSTRY.

We're in the business of finding candidates on their way up. As a result, we know a lot of people already at the top. So if you're looking to hire top level talent, Management Recruiters is the best place to start.

But these days what's important is not just who you know, it's what you know. And our Account Executives know your industry. In many cases they worked in your industry before they came to work for us. They keep up with industry groups. They know how to pick out the top performers.

We've been there before. We know our way around. We can talk to anybody in business on their own level.

Virtually all of the FORTUNE 500 companies come to Management Recruiters for our ability to find and recruit exceptional talent. And when we go to work for you, we'll see eye to eye with you, too.

MR MANAGEMENT RECRUITERS®

Look in the White Pages for the Management Recruiters office nearest you.

THE RESOURCE GROUP

WE LIVE UP TO OUR NAME

Whether you're looking for high-tech, financial, or human resource professionals . . . we have the resources and the expertise to help you find them. That's why we've become one of the area's key resources for employers. And that's why we continue to put top-notch professionals into key positions with companies large and small.

If you're looking for an inside line on the Washington employment market, contact Mary Helms, President, today.

The Resource Group
1980 Isaac Newton Square South
Reston, VA 22090
(703) 742-7750

The Resource Group
7315 Wisconsin Avenue
Suite 650 West
Bethesda, MD 20814
(301) 961-6545

THE RESOURCE GROUP

CHOICE...

NOT CHANCE

For over a quarter of a century, Abbott Smith Associates has been privileged to successfully complete hundreds of searches for clients who rely on our contacts, credibility and consistency.

SPECIALISTS IN RECRUITING OF HUMAN RESOURCE PROFESSIONALS

ABBOTT SMITH ASSOCIATES, INC.

EASTERN AND SOUTHERN U.S.
P.O. BOX 318, FRANKLIN AVE.
MILLBROOK, NY 12545
(914) 677-5300

MIDWEST AND WESTERN U.S.
P.O. BOX 10524, CHICAGO, IL 60610
(312) 664-1976

EUROPE
2D, PENNYBANK CHAMBERS
11-15 GREAT EASTERN STREET
LONDON EC2A 3EJ1/(01) 377-6837

SURVEY SAYS:

JOB FAIRS DELIVER 60% LOWER COST PER HIRE.*

AND NOBODY PRODUCES JOB FAIRS
BETTER THAN SHOMEX PRODUCTIONS.

Unique, targeted events specializing in:
Affirmative Action
Technical
Data Processing/MIS
Professional/Technical Services
General/Administrative

Los Angeles • Washington, D.C. • San Jose • San Francisco • San Diego

Call 1-800-JOB-SHOW for more information.
(1-800-999-9873 in CA)

SHOMEX
PRODUCTIONS

2601 Ocean Park Boulevard, Suite 320, Santa Monica, CA 90405-9990

* *The EMA Report of National Cost Per Hire Data For 1988*

Copyright © 1989, Shomex Productions. All rights reserved.

ON SITE CONTRACT RECRUITING CAN CUT YOUR COST PER HIRE.

Our clients' total cost per hire for positions we fill (excluding relocation) is typically 5-10% of salary. One to two $40K hires/week is usual. Thirteen $25K hires/week are possible.

From our clients' offices we manage employment for a group of jobs, a department, or an entire company. We also help our clients reduce their backlog of openings and during short periods of peak hiring.

Our consultants are talented and pleasant individuals with good values. Most have held HR management positions and all are accomplished recruiters.

85% of our in-house clients have extended our original engagement or asked us back.

For information please call
John Wentworth

The Wentworth Company, Inc.

(213) 822-1013
4676 Admiralty Way
Marina del Rey, CA 90292

Are you tired of being a small fish in a big pond?

Arlen Advertising offers the services and expertise of a large, full service marketing firm while retaining the personalized and enthusiastic interaction of a small advertising agency.

Let us show you how we can drastically cut the cost of producing ads, brochures and newsletters. Remember, at Arlen Advertising you'll always be a big fish in a small pond!

ARLEN
ADVERTISING

1516 S. Bundy Drive
Los Angeles, CA 90025-2604
(213) 820-3433 FAX (213) 820-2596

EMPLOYMENT
MANAGEMENT
ASSOCIATION

5 West Hargett Street • Suite 1100 • Raleigh, NC 27601
Phone (919) 828-6614 FAX (919) 839-0633

A4740-2U

Employment Management Association

1989

National Cost Per Hire

Survey Report

©1990 Employment Management Association

The Employment Management Association Report

National Cost Per Hire Data - 1989

Table of Contents

Summary of Findings 1

Respondent Information 2

Computing Your Cost Per Hire 3

Survey Results:

- Exempt 7
- Non-Exempt 8
- Hourly 9
- Internal Transfers 10
- Total Responses 11
- Average Employer Expenses 12
- National Comparisons - Exempt 13
- Industry Comparisons 14
- Exempt Trends (1988-1989) 15

Part II - Supplemental Data 16

- Average Starting Salary 16
- Definitions 16
- Source Utilization 17

Applications, Further Information, Acknowledgement 17

The Employment Management Association Report

National Cost Per Hire Data - 1989

In the assessment of national employment activities for the calendar year 1989, the Employment Management Association chose to embark upon a more extensive survey of employment costs and recruitment measures than in any of its six previous edition of this annual survey. EMA members and other employment professionals were asked to report the costs and expenses they incurred in each of the following categories: Exempt, Non-Exempt, and Hourly hires, and Internal transfers.

Also new to this year's survey was an assessment of several standard recruiting measurements including recruiter workload, screening ratios, time-to-fill and source utilization percentages. These factors were also evaluated for each of the different categories of employment identified above.

The EMA conducts this survey to provide its members and other interested professionals benchmark data for the evaluation and comparison of their own recruitment and staffing activities. Further, industry and geographical averages and multi-year trends have been presented to assist organizations in planning and budgeting within their own activity forecasts.

Summary of Findings

Exempt CPH	$7,488	Up 23% from 1988
Non-Exempt CPH	$1,529	Down 8% from 1988
Hourly CPH	$672	Down 24% from 1988
Average Number Exempt Hires	155	Down from 170 in 1988

Average Starting Salary - Exempt	$38,938
Average Starting Salary - Non-Exempt	$18,836
Average Annual Wages - Hourly	$17,349

Recruitment Source Utilization:	
Advertising	22.8%
Employee Referral	18.6%
Walk/Write in	10.0%
Agency	8.8%
College Recruiting	6.5%
Job Fairs	3.0%

Average Requisition Load per Recruiter	15/mo
Screening Ratio	6:1
Acceptance Ratio	86%
Time-to-fill	41 days
Time-to-start	51 days

Respondent Information

Nature of Business

Business and Services

Insurance	5
Banking	4
Consulting Services	3
Utilities	3
Computer/Data Processing	2
Finance	2
Research & Development	1
Restaurants	1
Transportation	1
Other Business Services	4

Manufacturing & Industrial

Aerospace	11
Chemicals & Drugs	4
Computers/Business Machines	4
Electrical Machinery & Equipment	4
Building Materials/Construction	3
Food & Beverage Processing	1
Glass, Paper & Packaging	1
Metals & Metal Products	1
Petroleum	1
Textiles	1

Government and Non-Profit

Health Services	2
Education	1
Non-Profit Organizations	1

The EMA is pleased to acknowledge the participation by the 61 responding companies without whom this survey report would not have been possible. For reasons of privacy, the names of those companies shall remain undisclosed.

The data contained in this survey report are based upon estimates and averages as presented by the responding organizations. As such, the EMA cannot certify the validity and reliability of the information contained in this report. All readers are encouraged to compute their own cost per hire using the standard cost elements discussed in this survey to make any comparisons with the averages presented in this report.

Computing Your Cost Per Hire

Section A - Employment/Recruiting Office Expenses

Line 1 *Salaries and benefits of employment/recruiting office staff*

Estimate the percentage of time spent annually in recruiting and staffing for Exempt/Non-Exempt/ Internal/Hourly vacancies by each member of your staff. Compute the actual salary for each staff member, multiply by the percentage that applies to each staffing category, then total. Multiply total salaries by your company's Benefit Multiplier. If unknown, multiply salary totals by 1.30 and enter on Line 1.

Line 2 *Travel, lodging, entertainment expenses of recruiting staff*

Compute the T/L/E expenses of the Employment/Recruiting office staff as they apply to each staffing category. Include: all recruiting-related trips and entertainment; T/L/E expenses for professional development seminars, workshops and conferences, college relations and source development visits, etc. **Exclude** meetings and training programs that do not utilize or enhance the employment skills of your recruiting staff. Enter totals on Line 2.

Line 3 *Administrative expenses*

Compute or estimate all recruiting-related **overhead** expenses, including but not limited to: telephone, office space, postage, PR literature, resume books, job posting systems, give-aways, general/image-building advertising, training program and conference attendance fees, employee referral gift awards; computer access charges. **Exclude** tax deductible contributions to colleges and universities. Enter totals on Line 3.

Line 4 *Sub-Total A*

Total Lines 1, 2, and 3, and enter on Line 4.

(Note: If sufficient detail is not available to determine items 1 through 3 above, estimate sub-totals and enter on Line 4.)

Section B - Other Recruiter's Expenses

Line 5 *Travel, lodging, entertainment expenses for other recruiters*

If other company employees (technical managers, operating staff, etc.) and/or contract recruiters were utilized, compute or estimate their T/L/E expense for each column and enter on Line 5. (A representative sample of expense reports may be gathered to compute an average which can be multiplied by the number of trips/events to obtain the totals for this line item.) **Exclude** recruiters counted in Line 1. Enter totals on Line 5.

Line 6 *Salaries of other recruiters*

Compute or estimate the average day's salary of those other employees utilized as part-time recruiters. Multiply this average by the number of days they were involved in recruiting, including business-hours travel time. **Exclude** full-time recruiters counted in Line 1. Enter Totals on Line 6.

Line 7 *Sub-Total B*

Total lines 5 and 6 and enter on Line 7. If sufficient information is not available to compute Lines 5 and 6, estimate these sub-totals based upon usage of other recruiters (managers, contract recruiters, etc.)

Never use - Enter 0 on Line 7

Seldom use - Multiply Line 4 by 10% and enter on Line 7.

Occasionally use - Multiply Line 4 by 25% and enter on Line 7.

Frequently use - Multiply Line 4 by 50% and enter on Line 7.

Section C - Company Visit Expenses

Line 8 *Candidate travel, lodging, meal expenses*

Compute or estimate the average expense of **each applicant** (or transferee) who visits your company for employment consideration. (A representative sample of expense reports may be used to compute this average.) Multiply this average by the **total** number of applicant visits, **not just for those hired.** Enter totals on Line 8. EXAMPLE: Your screening ratio shows that 1 out of 4 applicants visiting your company is hired. Your cost of this line item is 4 x Total Hires x Avg. Applicant's T/L/E. [In 1988, the EMA average for Exempt Applicants was $456 **per hire**.]

Line 9 *Interview workday expenses*

Estimate the average hourly equivalent salary of the company personnel involved in your interview process (e.g. $43,000/yr. = @ $20.83/hr.) Estimate the average length of a typical applicant's visit (number of hours). Determine the average number of applicants interviewed to fill each position (see screening ratio example on Line 8.) FORMULA: Multiply hourly equivalent salary by hours by applicants by total hires (Line 21), enter totals on Line 9. EXAMPLE: $20.83/hr. x 4 hrs. x 4 applicants x 50 hires = $16,664. [In 1988, the Exempt average was $334 **per hire**.]

Line 10 *Other expenses*

Estimate the costs (annualized or average per applicant) of other related expenses including, but not limited to, testing, pre-employment **drug screening**, credential verification, relocation packets, etc. Enter the appropriate annual expense **totals** on Line 10. The 1988 average for Exempt hires was $117 **per hire**.]

Line 11 *Sub-Total C*

Total Lines 8, 9, and 10 and enter on Line 11.

Section D - Direct Fees

Line 12 *Advertising fees*

For "# Hires" enter the number of hires derived directly as a result of Employment Advertising in the Exempt, Non-Exempt, Hourly and Total Columns. Compute or estimate total annual job-specific employment advertising expenses. **Exclude** general advertising charges and job posting expenses included on Line 3. Enter totals on Line 12.

Line 13 *Job fairs*

For "# Hires" enter the number of hires derived directly as a result of participation in Job Fairs for each category. Compute or estimate total, annual, job fair participation fees. **Exclude** recruiter's cost, travel, materials, etc. included in Section A or B. Enter totals on Line 13.

Line 14 *Agency fees*

For "# Hires" enter the number of hires derived through personnel agencies to whom a contingent placement fee was paid in the appropriate columns. Compute or estimate total annual agency fees. Enter totals on Line 14.

Line 15 *Executive search fees*

For "# Hires" enter the number of hires derived through executive search (retainer/contract search). Compute or estimate total annual search and search-research fees paid. Normally such fees are limited to the Exempt category. Enter total on Line 15.

Line 16 *Employee referral cash awards*

For "# Hires" enter the number of Employee Referrals hired in each category. Compute the total annual cash payments made to employees for referrals who were hired. **Exclude** program administration fees and gifts-in-kind included in Line 3. Enter totals on Line 16.

Line 17 *College recruiting*

Under the heading "# Hires" enter the number of hires directly resulting from your college recruiting program in the appropriate columns on Line 17. **No direct fees should be reported for college hires**. (Recruiters T/L/E should be reported on Line 2 or Line 5; literature, resume books and transcripts on Line 3.)

Line 18 *Sub-Total D*

Total the expenses from Lines 12, 13, 14, 15, 16, 17 and enter on Line 18.

Line 19 *Total recruitment costs*

Total Lines 4, 7, 11 and 18 and enter on Line 19.

Line 20 *Relocation expenses*

For "# Hires" enter the actual number of new hires and transfers who received relocation expense assistance to accept employment. Enter the actual or estimated total expenses incurred by your company to provide this assistance on Line 20.

Line 21 *Total costs*

Total Lines 19 and 20 and enter on Line 21.

Line 22 *Total hires*

Enter number of hires by category for the calendar year on Line 22.

Line 23 *Cost per hire*

Divide Line 21 by Line 22. Enter results on Line 23 (rounded to nearest whole dollar.)

Part II - Supplemental Data (Complete if data is available or can be estimated)

Line 1 *Average annual salary of new hires*

Under each column heading, enter the **average** annual salary or wages of all persons hired in that category. Where wage rates are hourly, multiply by 2080 hours for full-time workers, regardless of actual hours worked during the year.

Line 2 *Recruiter workload*

Determine the **average** number of open employment requisitions each recruiter was responsible for on a month-to-month basis.

Line 3 *Screening ratio - interviews to hires*

Determine the **average** number of interviews your company conducts to get one hire. EXAMPLE: 4:1 (round to nearest whole number)

Line 4 *Acceptance rate*

For each category, determine the percentage of offers made by your company which were accepted.

Line 5 *Time-to-fill*

Determine the **average** number of days it took from the time an employment requisition was opened until the offer was accepted to fill it.

Line 6 *Time-to-start*

Determine the **average** number of days it took from the time an employment requisition was opened until the new employee started working in the position.

Line 7 *Source utilization*

Determine the **percentage** of the various sources utilized to satisfy hiring needs in each category. NOTE: In the TOTAL column, report Internal Transfers as a percentage of the total hires and transfers completed during the year.

Exempt

Survey Results

Averages	CPH	Number Hires	Amount Spent per Employer
	$7,488	155	$1,161,545

Organizational Responses

	Number Hires	Percent	Average CPH
Corporation	26	48	$7,830
Division	18	31	$7,484
Unit	11	21	$6,759

Geographical Analysis: Cost Per Hire By Region

Northeast	$10,307
Mid-Atlantic	6,660
Southeast	3,809
Midwest	8,813
Southwest	8,342
West	6,515

Averages by Employment Population

Population	Percentage of Responses	Number Hires	Average CPH
<500	26	36	$5,480
500 - 1,000	15	60	8,535
1,001 - 2,500	20	72	7,457
2,501 - 5,000	15	188	5,979
5,001 - 10,000	11	254	7,584
10,001 - 25,000	11	335	10,690
>25,000	2	1444	4,582

Categorical Analysis

	Percentage of CPH	CPH
Recruiting Office Expenses	19.6	$1,467
Other Recruiters' Expenses	3.1	229
Applicant Expenses	11.4	851
Direct Fees	28.1	2,108
Relocation Expenses	38.0	2,848
Total	**100.0**	**$7,488**

Direct Fees (average fee paid to hire one employee)

Advertising	$3,488
Job Fairs	1,477
Agencies	8,945
Executive Search	22,040
Employee Referral	525

Non-Exempt
Survey Results

Averages	CPH	Number Hires	Amount Spent per Employer
	$1,529	163	$248,740

Organizational Responses

	Number	Percent	Average CPH
Corporation	20	53	$1,778
Division	10	26	$1,494
Unit	8	21	$1,076

Geographical Analysis: Cost Per Hire By Region

Northeast	$1,204
Mid-Atlantic	3,245
Southeast	924
Midwest	869
Southwest	2,469
West	1,023

Averages by Employment Population

Population	Percentage of Responses	Number Hires	Average CPH
<500	29	30	$2,401
500 - 1,000	11	102	1,414
1,001 - 2,500	26	143	583
2,501 - 5,000	18	190	1,666
5,001 - 10,000	13	536	1,800
10,001 - 25,000	3	114	1,921
>25,000	0	n/a	n/a

Categorical Analysis

	Percentage of CPH	CPH
Recruiting Office Expenses	38.4	$594
Other Recruiters' Expenses	1.4	21
Applicant Expenses	11.2	174
Direct Fees	30.2	462
Relocation Expenses	19.3	295
Total	**100.0**	**$1,529**

Direct Fees (average fee paid to hire one employee)

Advertising	$789
Job Fairs	459
Agencies	3,213
Executive Search	0
Employee Referral	371

Hourly
Survey Results

Averages	CPH	Number Hires	Amount Spent per Employer
	$672	281	$146,404

Organizational Responses

	Number	Percent	Average CPH
Corporation	5	28	$266
Division	8	44	$1,056
Unit	5	28	$489

Geographical Analysis: Cost Per Hire By Region

Northeast	$1,759
Mid-Atlantic	1,229
Southeast	n/a
Midwest	142
Southwest	1,502
West	765

Averages by Employment Population

Population	Percentage of Responses	Number Hires	Average CPH
<500	37	28	$697
500 - 1,000	11	49	1,242
1,001 - 2,500	26	412	531
2,501 - 5,000	5	n/a	n/a
5,001 - 10,000	11	157	882
10,001 - 25,000	5	540	1,183
>25,000	5	718	477

Categorical Analysis

	Percentage of CPH	CPH
Recruiting Office Expenses	37.2	$250
Other Recruiters' Expenses	12.0	80
Applicant Expenses	17.8	120
Direct Fees	24.1	162
Relocation Expenses	8.9	60
Total	**100.0**	**$672**

Direct Fees (average fee paid to hire one employee)

Advertising	$602
Job Fairs	94
Agencies	2,067
Executive Search	0
Employee Referral	108

Internal Transfers
Survey Results

Averages	CPT*	Number Transfers	Amount Spent per Employer
	$1,657	46	$75,748

Organizational Responses

	Number	Percent	Average CPT
Corporation	10	46	$2,280
Division	6	27	$2,170
Unit	6	27	$515

Geographical Analysis: Cost Per Transfer By Region

Northeast	$951
Mid-Atlantic	2,439
Southeast	n/a
Midwest	4,531
Southwest	1,503
West	1,050

Averages by Employment Population

Population	Percentage of Responses	Number Transfers	Average CPT
<500	31	16	$1,299
500 - 1,000	23	39	1,045
1,001 - 2,500	23	71	951
2,501 - 5,000	18	56	3,517
5,001 - 10,000	5	120	1,615
10,001 - 25,000	0	n/a	n/a
>25,000	0	n/a	n/a

Categorical Analysis

	Percentage of CPT	CPT
Recruiting Office Expenses	47.7	$791
Other Recruiters' Expenses	0.5	8
Applicant Expenses	6.3	105
Direct Fees	0.1	2
Relocation Expenses	39.6	656
Total	**94.2**	**$1,657**

*Cost Per Transfer

Total Responses
Survey Results

Averages	CPH	Number Hires	Amount Spent per Employer
	$3,581	401	$1,437,250

Organizational Responses

	Number	Percent	Average CPH
Corporation	28	46.0	$3,647
Division	18	29.5	$3,673
Unit	15	24.5	$3,227

Geographical Analysis: Cost Per Hire By Region

Northeast	$4,780
Mid-Atlantic	3,810
Southeast	3,155
Midwest	3,221
Southwest	2,958
West	3,445

Averages by Employment Population

Population	Percentage of Responses	Number Hires	Average CPH
<500	25	79	$4,056
500 - 1,000	16	146	4,214
1,001 - 2,500	21	394	1,803
2,501 - 5,000	15	386	3,731
5,001 - 10,000	10	773	3,627
10,001 - 25,000	10	464	8,488
>25,000	3	2,929	2,441

Categorical Analysis

	Percentage of CPH	CPH
Recruiting Office Expenses	22.8	$816
Other Recruiters' Expenses	3.1	113
Applicant Expenses	12.2	437
Direct Fees	26.0	930
Relocation Expenses	35.9	1,285
Total	**100.0**	**$3,581**

Direct Fees (average fee paid to hire one employee)

Advertising	$1,898
Job Fairs	$908
Agencies	$6,904
Executive Search	$22,104
Employee Referral	$299

Average Employer Expenses

Exempt	1989	1988
Employment/Recruitment Office	$227,569	$230,998
Other Recruiting Expenses	35,534	46,927
Company Visit Expenses	132,077	129,418
Direct Fees	326,966	269,410
Relocation	441,773	374,303
TOTAL	**$1,161,545**	**$1,033,094**

Other Categories	Non-Exempt	Internal	Hourly
Employment/Recruitment Office	$96,598	$36,165	$54,456
Other Recruiting Expenses	3,364	359	17,509
Company Visit Expenses	28,346	4,794	26,049
Direct Fees	75,236	0	35,292
Relocation	48,025	29,976	13,098
TOTAL	**$248,740**	**$75,748**	**$146,404**

Total Expenses	
Employment/Recruitment Office	$333,054
Other Recruiting Expenses	45,913
Company Visit Expenses	178,472
Direct Fees	379,383
Relocation	515,579
TOTAL	**$1,437,250**

***Note**: Expense category amounts will not equal the Total since not all respondents provided data in each category.*

National Comparisons - Exempt

Regional Averages

Region	1989	1988
West	$6,515	$5,606
Mid-West	8,813	4,437
Northeast	10,307	8,743
Mid-Atlantic	6,660	4,124
Southeast	3,809	10,447
Southwest	8,342	5,832

State Averages

	Exempt		Total	
State	Hires	CPH	Hires	CPH
California	155	$6,149	482	$3,307
Colorado	90	8,871	380	2,542
Connecticut	5	6,673	24	4,084
District of Columbia	20	3,665	103	2,632
Delaware	443	6,111	443	6,111
Georgia	167	3,809	216	3,155
Illinois	193	8,522	536	3,663
Kentucky	4	10,950	9	5,989
Massachusetts	120	6,764	449	7,300
Maryland	89	9,934	262	6,301
Michigan	-	-	147	1,494
Minnesota	73	3,189	591	516
Missouri	84	10,009	113	7,757
New Jersey	199	13,394	223	4,822
New York	81	3,868	486	1,664
Ohio	69	12,618	129	6,574
Oklahoma	22	4,682	68	2,704
Texas	224	8,871	1,107	2,998
Virginia	159	4,864	546	2,502
Washington	90	13,466	185	8,102
Wisconsin	23	6,017	59	3,834

Industry Comparisons

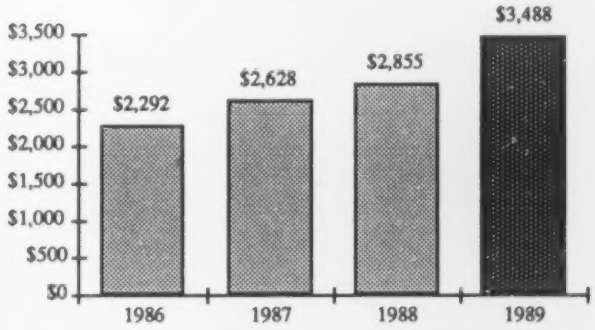
Average cost per hire by industry by category of employment

Industry	Exempt			Non-Exempt			Total		
	Resp	Avg Hires	CPH	Resp	Avg Hires	CPH	Resp	Avg Hires	CPH
Banking	2	32	$6,918	1	91	$2,332	4	263	2,279
Computer/DP	4	48	4,077	2	63	1,625	2	138	3,301
Consulting Services	3	114	4,935	1	574	2,258	3	357	3,278
Finance	6	120	8,264	2	1,020	1,005	2	889	3,947
Insurance	5	130	9,049	4	601	834	5	250	5,108
Research & Development	1	721	14,168				1	721	14,168
Restaurants	1	67	3,009	1	2	3,662	1	1,476	213
Transportation	1	101	3,827	1	236	732	1	450	1,449
Utilities	3	122	7,881	3	635	3,607	3	489	5,463
Other Bus. Services	4	47	8,315	4	381	1,458	4	146	3,630
Aerospace	8	318	5,760	3	51	1,559	11	763	2,991
Building Materials/Const	3	147	6,829	2	258	988	3	238	4,641
Chemicals & Drugs	4	155	8,763	2	95	2,002	4	181	8,037
Computers/Bus. Mach.	3	163	5,139	3	365	1,451	4	276	3,668
Elec. Machinery & Equip	4	95	6,385	3	374	561	4	271	2,642
Food & Bev. Processing	1	90	5,290	1	60	2,725	1	380	2,542
Glass, Paper, Packaging	1	56	4,709	1	200	427	1	256	1,362
Metal & Metal Products	1	4	10,950	1	1	2,150	1	9	5,489
Petroleum	1	75	9,198	1	68	1,730	1	196	4,574
Education	1	7	1,961				1	147	1,494
Health Services	2	112	3,658	1	948	1,430	2	623	1,808
Non-Profits	1	20	3,665	1	29	3,574	1	103	2,632

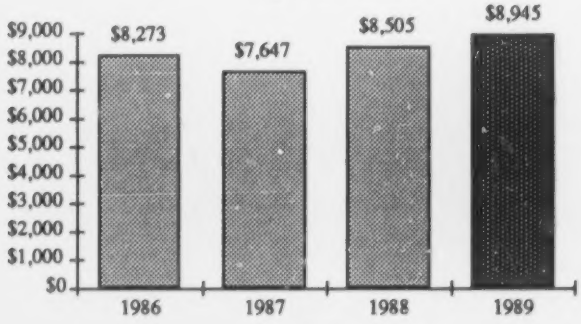
Exempt Trends

The EMA has been monitoring trends in various recruitment cost areas since the survey was initiated. Since only Exempt data were captured prior to this year, trend data are not available in the other categories.

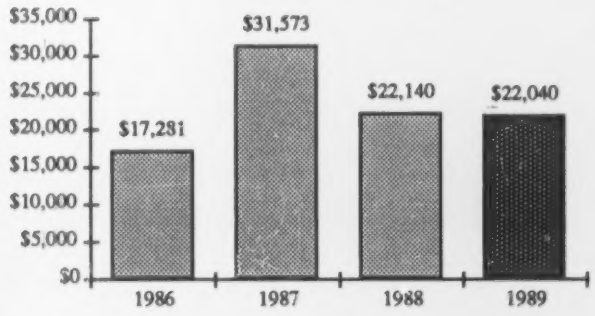
Ad Fees



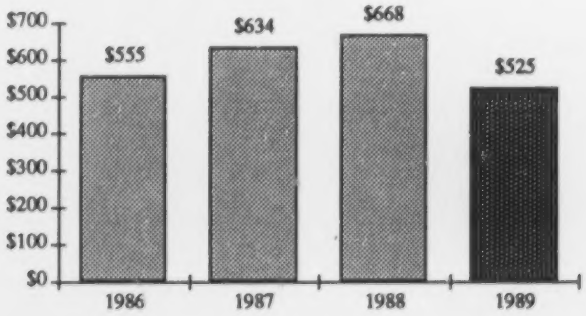
Agency Fees



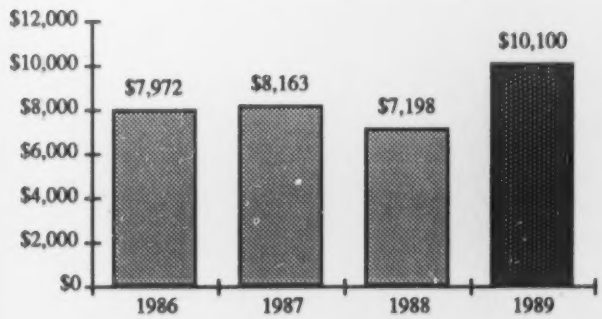
Executive Search Fees



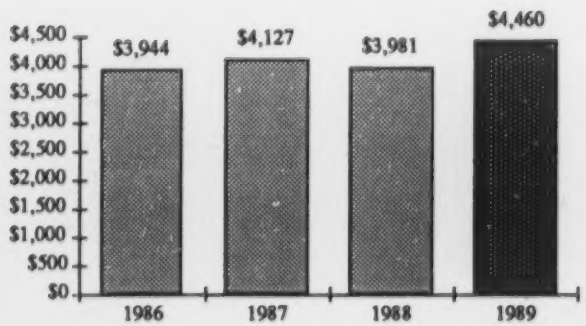
Employee Referral $ Awards



Average Relocation Costs



CPH W/O Relocation Costs



Part II - Supplemental Data

Average Starting Salary

Exempt	Non-Exempt	Internal	Hourly	Total
$38,938	$18,836	$30,406	$17,349	$28,389

	Exempt	Non-Exempt	Internal	Hourly	Total
Recruiter Workload	10.4	12.7	5.2	25.7	15
Screening Ratio	6:1	5:1	3.5:1	3.5:1	6:1
Acceptance Rate (%)	78	86	92	91	84
Time-to-fill (days)	46	28	22	24	41
Time-to-start (days)	55	31	28	29	51

Note: Total column may not be sum of averages for all other columns. Respondents may not have provided input for each category (or column).

Definitions

Recruiter Workload — the average number of open employment requisitions each recruiter was responsible for on a month-to-month basis.

Screening Ratio — the average number of interviews conducted to obtain one hire.

Acceptance Ratio — the percentage of offers made which were accepted.

Time-to-fill — the average number of days between the opening of an employment requisition and when an offer was accepted.

Time-to-start — the average number of days between the opening of an employment requisition and the start date for the new employee.

Source Utilization

Sources	Exempt	Non-Exempt	Hourly	Total
Walk in/Write in	10.7%	17.4%	31.7%	10.0%
Employee Referral	14.5	17.6	21.2	18.6
College Recruiting	10.0	2.9	5.5	6.5
Advertising	30.4	23.5	15.0	22.8
Job Fairs/Open House	4.0	1.3	4.5	3.0
Agency	16.2	8.0	1.4	8.8
State Employment Service	0.5	9.8	8.8	2.2
Acquisition	0.1	0.2	0.0	0.0
Rehire	3.7	3.4	4.4	4.2
Other	9.6	12.1	7.6	7.5
Internal	n/a	n/a	n/a	12.5

Applications

Employment managers may find the preceding analyses useful in developing budgets, evaluating in-house recruiting services vs. outside services, and determining the cost benefits of minimizing the relocation of new hires.

Vendors to the corporate employment market may also find these analyses helpful in identifying trends and probable client industries.

Further Information

The EMA will continue to provide professional development workshops and information on this and other surveys. Special workshops will be offered at many regional and national conferences. Specific inquiries regarding this survey should be directed to:

Employment Management Association
4101 Lake Boone Trail, Suite 201
Raleigh, NC 27607
(919)787-6010 FAX (919)787-4916

Acknowledgment

The EMA recognizes member **Gary A. Cluff** as the creator of this survey and report.

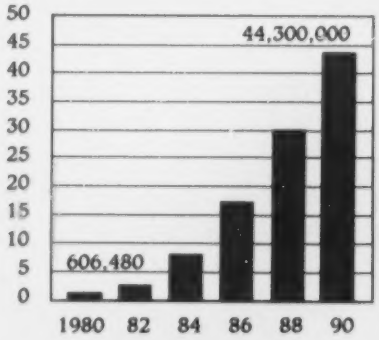
If you recruit computer professionals, we have their numbers.

We've probably spent more money researching this market than any company in America. And what we've learned can help you.

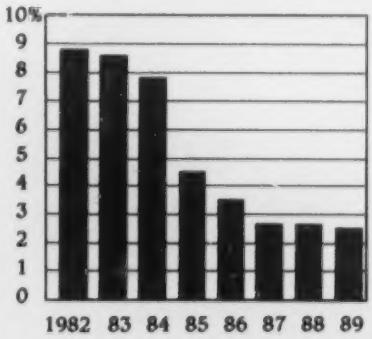
Number of computers up 7,300% in 10 years.

At this pace, how will you meet the demand for staff in the future? One source is America's campuses. But with college freshmen interest in computer careers dropping more than two-thirds since 1982, you'll need to find other sources. Call us. We'll tell you about them.

More computers are demanding more talent*



Fewer campus freshmen are choosing computer careers**



Only 20% of computer professionals actively seek jobs through sources like local classifieds.

Which, according to figures from our annual Job Satisfaction Survey, leaves 80% of the market largely unreachable through local papers. Yet easily reached through professional newspapers. Our research can show you how.

Over 213,000 professionals with CICS operating system experience are reachable with a single advertisement.

And so are hundreds of thousands of others with skills from DB2 to IBM S/38 to Unix. How? Call us and we'll show you.

Computerworld reaches professionals with key skills
–a few examples from our survey–

Skill/Product	Product type	Experts in Computerworld's Audience
IBM PC compatible	hardware	532,591
IBM (all but PC)	hardware	450,108
Digital Equip. Corp.	hardware	232,533
MVS	operating system	217,680
Cobol	language/utility	285,791

Free reports!

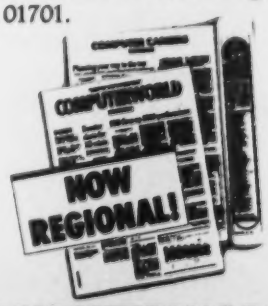
Our skill survey reveals demographics.

Computerworld just completed a major survey of computer skills among its readers. The results can help you target your recruiting. Call John Corrigan at Computerworld for your free report.

We conduct the most comprehensive salary survey in the field.

Co-sponsored by the Data Processing Management Association, the annual report is available to you at no charge.

If you want to check out our numbers, just call us at this one: 800/343-6474 (in MA, call 508/879-0700). Ask for John Corrigan, Classified Advertising Director. Or write to him at Computerworld, Department E, 375 Cochituate Road, Framingham, MA 01701.



COMPUTERWORLD

Where the best hires look. Every week.

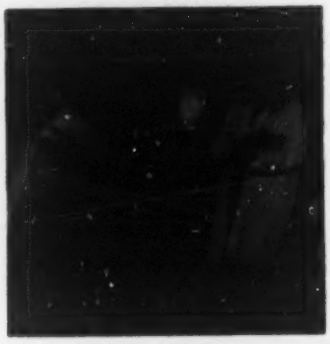
Sources: *International Data Corporation **American Council on Education

How Do You Test For Physical Abilities In A Job?
How Do You Assess Workers "at Risk"?

YOU DO IT WITH THE KEY JOB PLACEMENT SYSTEM

By using a six-part harmony:

1. Analyze the job



2. Test the Physical Abilities Using the KEY Job Placement System

3. Fax Data to KEY & KEY Databank

4. Receive Test Results with Narrative. Compare with Job Requirements

5. Make Better Hiring Decisions

6. Save Money, Improve Productivity

KEY FUNCTIONAL ASSESSMENTS, INC.
1010 Park Avenue, Minneapolis, Minnesota 55404

...Committed to helping good people get better...

1-800-333-3KEY or
612-333-1191

No Recruitment Ad Agency Works Harder to Give You 'Below Average' Results

The hot topic of discussion in most Human Resources departments today is finding ways to reduce the Average Cost Per Hire.

The typical company now spends nearly $37,000 to hire and train a $40,000 per year employee. Attracting qualified applicants cost-effectively is often difficult—and not simply a matter of running an ad in the paper.

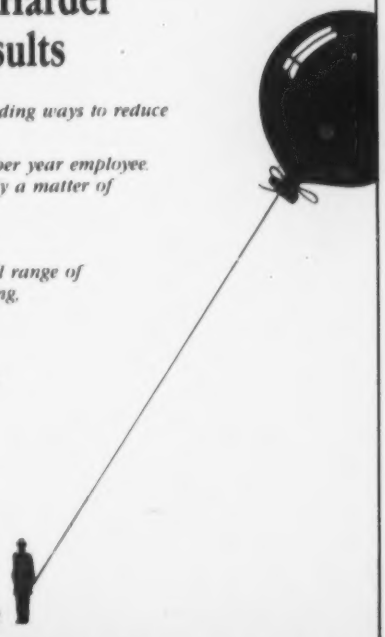
At Austin Knight, we can help make it easier for you.

We're more than just "ad takers." Depending on your needs, we can offer a full range of support, including collaterals, research projects, videos, booths, resume screening, applicant research . . .

and, of course, award-winning ads.

Give us your toughest recruitment problems—and we'll make an all out effort to ensure you a cost per hire figure that's decidedly below average.

To find out more about how Austin Knight can help you meet all your recruitment needs, call the office nearest you:



Austin Knight

A different kind of agency for a different time

Boston (617) 267-6500 • Chicago (312) 337-5599 • Los Angeles (213) 444-5222 New York (212) 944-5700 • San Francisco (415) 331-5600 • Seattle (206) 233-0040

Who says you can't buy intelligence?

George Tansill
Publisher

The Personnel News provides the HR professional in business, industry, academe and government agencies with practical no-nonsense information on critical management and employment issues and concerns topics like "Compensation Trends for the 1990s", "Drug Testing in the Workplace", "Summary of the Civil Rights Act of 1990", "Computer Software and Hardware for the HR Professionals", and more!

You'll enjoy a consistent source of information to use on the job, right now, from one of America's most senior and respected personnel professionals.

Let George Tansill and the Personnel News keep you informed!

The Personnel News is read by personnel executives who are responsible for purchasing a wide variety of products and services including employment/recruiting, benefits, safety, security, compensation, labor law, service awards, bonus/incentives, relocation, EEO, training, etc.

The Personnel News is distributed nationally to over 30,000 HR professionals each month.

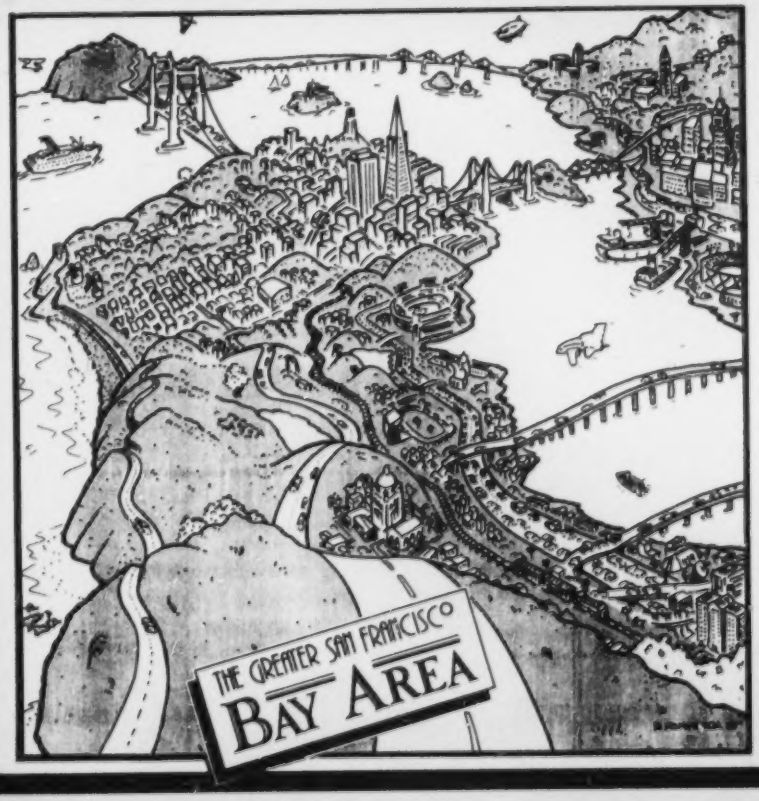
For subscription information phone: **(408) 988-8991** or send in this ad for your free sample subscription.

For advertising/marketing information contact: Ken Whelan, Vice President and General Sales Manager

Corporate Offices:
4701 Patrick Henry Drive, Suite 1301
Santa Clara, CA 95054
(408) 988-8991

The PERSONNEL NEWS

NORTHERN CALIFORNIA EXCLUSIVE



LOWER COST-PER-HIRE!

While most Employment Managers want to lower their cost-per-hire, over 100 have chosen Human Resources Advertising to do just that.

With offices in Silicon Valley and San Francisco, we're combining the efficiencies and cost-savings of computers, LANs and electronic publishing to save clients substantial dollars.

Combined with innovative media ideas and other recruitment programs (employee referral programs, brochures, radio, etc.) we're fast becoming the Bay Area's first choice. Call **Darrell Batchelder in Silicon Valley (408) 748-1000 or Rick DiSanto in San Francisco (415) 989-5500** for a free recruitment analysis and proven program samples. EOE.

HR Human Resources Advertising, Inc.

Her resumé reads like the classifieds.

Meet Kasey Sixt. Get to know her better by thumbing through an opportunity section, or just about any professional journal. Look for the ads that stand out and excite you. Because that's what she's all about. The kind of advertising that can only happen by shaping close, personal relationships with H/R professionals. Forming thoughtful, cost-effective strategies. And intelligently communicating eye-to-eye with exactly the right people. We do all our work that way, which is why every ad, referral program, video, college campaign and collateral piece we do is consistently unique. Meaningful. Effective.

So if you think her resumé looks great, call us here at Rogers & Associates. We promise to get you plenty more that will look even better.

Call Kasey Sixt, Director of Client Services: (408) 496-1112. Or write: Rogers & Associates, 3032 Bunker Hill Lane, Suite 207, Santa Clara, CA 95054.

Rogers

& Associates

Advertising, Inc.

Santa Clara • San Francisco/Oakland • Los Angeles • Chicago • Miami • San Diego • Soon to be in: Dallas/Ft. Worth • Tampa

DROP YOUR LINE INTO THE WORLD'S LARGEST POOL OF SCIENTIFIC/ENGINEERING TALENT.

With over 500,000 readers every month, small wonder that SPECTRUM is the favorite spot for knowledgeable recruiters seeking to land experienced, prescreened scientific/engineering professionals.

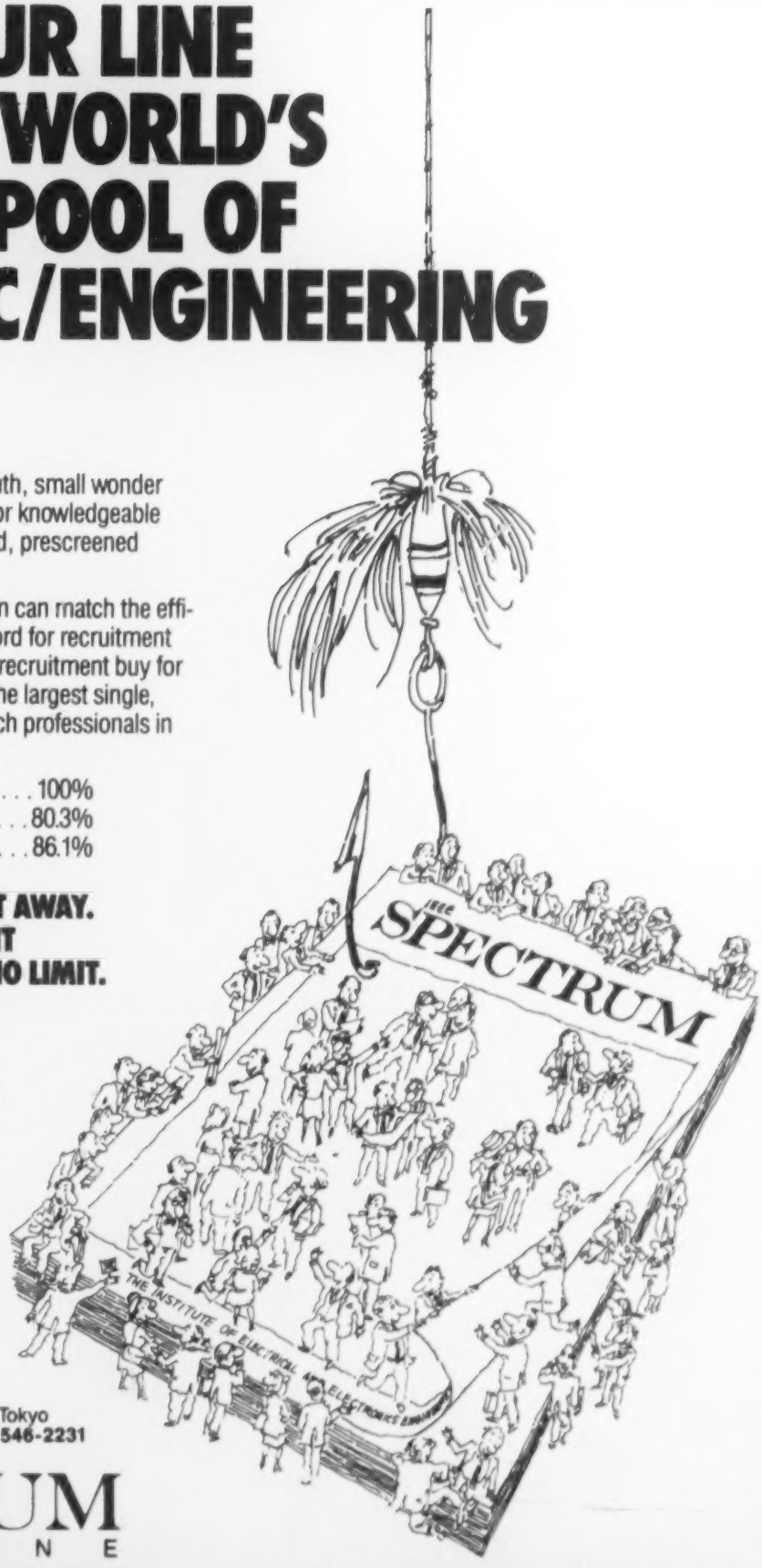
No other print or electronic medium can match the efficiency, CPM, "shelf-life", or track record for recruitment success. SPECTRUM is the No. 1 EE recruitment buy for leading companies looking to reach the largest single, prescreened concentration of high tech professionals in industry, government and academia.

Engineering/Science Circulation	100%
Average Issue Readership	80.3%
Subscription Renewal Rate	86.1%

DON'T LET THE BIG ONES GET AWAY. RESERVE YOUR RECRUITMENT ADVERTISING SPACE NOW. NO LIMIT.

Circulation audited by the Audit Bureau of Circulation.

srds For additional information see our listing in SRDS Classified/ Recruitment 40.



CALL (212) 705-7760
or our local sales office

Atlanta 404-256-3800	Boston 508-896-5930
Chicago 708-446-1444	Dallas 214-991-8799
Los Angeles 213-649-3800	Philadelphia 215-368-8232
San Francisco 415-541-0377	London 01-584-8588

Tokyo
(03) 346-2231

IEEE SPECTRUM MAGAZINE

Published by IEEE, the world's largest professional technical organization

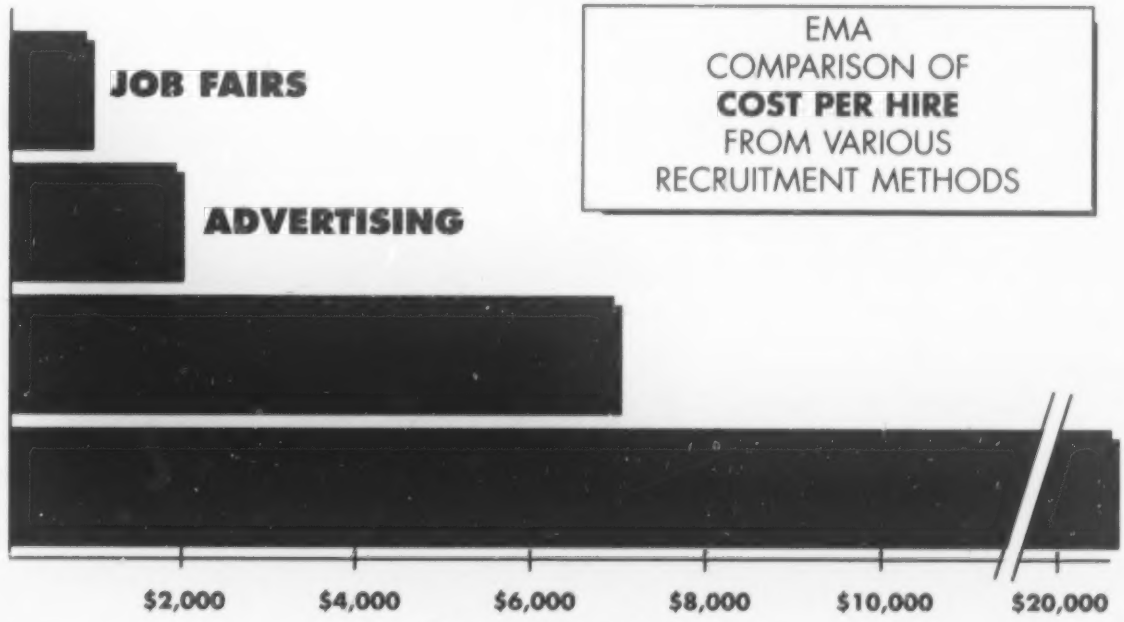
Not just another pinstripe suit.

**No excuses, no alibis.
Just maximum recruiting performance.**

Over 500 Offices Nationwide

SURVEY SAYS:

JOB FAIRS DELIVER A LOWER COST PER HIRE.



The data presented in this publication clearly indicate that job fairs are an efficient recruitment technique...whether your needs are Exempt, Non-exempt or Hourly.

Shomex Productions offers a variety of specifically targeted job fairs: Affirmative Action, High-Tech/ Engineering & Software, Professional & Technical Services, Data Processing/MIS and General & Administrative.

Shomex Productions' track record is one of success...a result of innovative promotional techniques and value-added features, Shomex events consistently deliver a volume of quality candidates, providing the opportunity for multiple hires.

In addition to regularly-scheduled local events across the nation, Shomex produces job fairs sponsored by The Orange County Register and an annual event for The Los Angeles NAACP.

CCC CAREER Conventions

Affirmative Action • High-Tech
Professional & Technical Services
Data Processing/MIS

JOBMART

General & Administrative

SHOMEX PRODUCTIONS

Call 1-800-JOB-SHOW (1-800-562-7469) for more information.

* Source: The EMA Report of National Cost Per Hire Data For 1989.

Copyright © 1989, Shomex Productions. All rights reserved.

VIDEOTAPED INTERVIEWS... NATIONWIDE!

Hundreds of employers have used The Corporate Interviewing Network to make more cost-effective hiring decisions. Here's how:

1. You source and paper screen the candidates you want considered.
2. Together we structure an objective, EEOC compliant interview. You can choose from our large menu of proven questions and include your own technical or job-specific questions.
3. We schedule and conduct interviews in one of our 30 offices throughout the country. The interviews are recorded on videotape.
4. Within seven days of giving us your candidate list, you can see and hear all candidates answer the same pertinent questions. You and your management team can reach an objective and timely decision regarding the finalists.

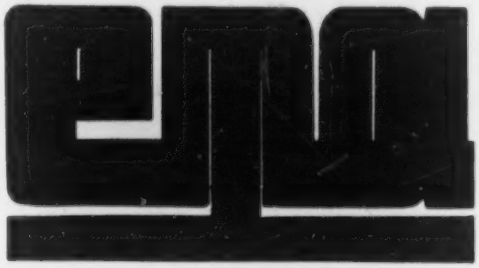
"We switched to CIN's videotaped interviewing format and substantially reduced our cost-per-hire. We also viewed more—and more qualified—candidates in a shorter period of time. Outstanding!"

CIN

THE CORPORATE INTERVIEWING NETWORK®

(619) 528-2255

George Gerza
3111 Camino del Rio North
San Diego, CA 92108



THE EMPLOYMENT MANAGEMENT ASSOCIATION

Both you and your company will profit from membership in this fast-growing, forward-looking professional group.

You're handling one of the toughest jobs in today's business world . . . and one of increasing financial importance to your company.

To keep up with this fast-moving field and to keep broadening your own professional horizons—membership in the EMA can help.

Through the EMA, you can join other employment professionals in activities that enhance your ability to deal with the complex contemporary problems you face.

EMA will keep you current via its activities, research, publications, and the opportunities it provides for interchange of ideas and information on what's happening in employment and how other organizations handle employment problems.

Then, too, EMA is adding new stature to the employment field and obtaining greater recognition for the employment professional through its awards, bulletins, meetings and participation in professional and legislative conferences and panels.

Shouldn't you be part of this active, responsive professional group?

EMA Membership

There are two categories of membership in EMA: Corporate and Affiliate.

Corporate membership is offered to individuals who have responsibility for employment or an employment related function of a corporation, governmental or educational organization.

Affiliate membership is a non-voting membership status which is available to professionals who provide support services to the employment process.

Activities and member services:

- **semi-annual conferences-reduced fees for members**
- **the EMA newsletter**
- **the EMA Journal**
- **surveys on such issues as cost per hire and compensation**
- **awards programs recognizing outstanding contributions to the employment field**
- **scholarship support for studies in the human resources field**
- **regional educational programs**

For detailed information on EMA membership, contact EMA today: 4101 Lake Boone Trail, Suite 201, Raleigh, NC 27607. (919) 787-6010

SEARCHING FOR A LOWER COST-PER-HIRE?

Call 1-800-624-7744 and ask for Mary Geuras.

You'll reach the premier recruitment advertising agency, Bernard Hodes Advertising. An international firm with over two decades of award-winning recruitment advertising and employee communications experience.

We can show you case histories where we helped clients in health care, high tech, finance, and other industries lower their cost per hire. And how we can do the same for you and your organization.

So pick up the phone and call. Even the call is free.*

BERNARD HODES ADVERTISING

New York • Atlanta • Boston • Chicago • Dallas • Denver • Houston • Irvine • Los Angeles • Miami
Palo Alto • Philadelphia • Phoenix • Sacramento • San Francisco • Washington, D.C.
Toronto • Montreal • London

**See? We're helping you keep your costs down right from the start.*

EMA Surveys and Publications

Results of surveys are free to members and to non-member survey participants at the time of publication. Non-members may purchase the following surveys at the price listed below. (Pre-payment required.)

SURVEY TITLE	PUBLICATION DATE	COST PER COPY	# COPIES	TOTAL
Separation Pay and Separation Benefits	July 1987	$25	____	____
Drug Testing in Industry	Feb 1987	$25	____	____
Managing AIDS in the Workplace	Nov. 1987	$15	____	____
AIDS Policies	Nov. 1987	$15	____	____
Drug Testing Update	Dec. 1987	$15	____	____
Selection Tools	Feb. 1988	$15	____	____
*Cost Per Hire (Indicate Year)	1988, 1989	$45	____	____
*Compensation for the Employment Executive	1988	$95	____	____
MEMBER PULSE SURVEYS				
Dependent Care Programs	March, 1988	$25	____	____
Recruiting Trends for 1988 and Beyond	May 1988	$25	____	____
Immigration Reform and Control Act (IRCA)	June, 1988	$25	____	____
Reference Checking	Aug. 1988	$25	____	____
Employee Referral Programs	Jan./Feb. 1988	$25	____	____
Recruitment Practices	July/Aug. 1989	$25	____	____
Pre-Employment Testing	Nov./Dec. 1989	$25	____	____
Résumé Fraud	March/April 1990	$25	____	____
PUBLICATIONS				
EMA Advertising Excellence Awards	1988	$5	____	____
	1989	$7.50	____	____
"Decruitment and Outplacement" by Donald H. Sweet		$10	____	____
*EMA Membership Directory		$150	____	____
EMA Journal	Member Service Only		____	____
EMA "Reporter"	Member Service Only		____	____

**Included with membership*

PLEASE MAKE CHECK PAYABLE TO EMA OR CHARGE:

❑ VISA ❑ MASTERCARD ❑ AMERICAN EXPRESS

CARD #_____ EXPIRATION DATE _____

SIGNATURE _____ COMPANY NAME_____

MAILING ADDRESS_____

Return with payment to:
Employment Management Association
4101 Lake Boone Trail, Suite 201, Raleigh, North Carolina 27607 (919)787-6010 FAX (919)787-4916

Employment Management Association
4101 Lake Boone Trail, Suite 201
Raleigh, North Carolina 27607
(919)787-6010
FAX (919)787-4916